



September 13, 2018

## STAFF REPORT

RE: Case 1785-Z/Town of Addison

LOCATION: N/A – This is a text amendment to the zoning code.

REQUEST: Approval of an ordinance amending Article XX. Special Uses by revising item (39) Microbrewery.

APPLICANT: Town of Addison

DISCUSSION:

Background: In 2013 the Texas Legislature adopted bills pertaining to the craft brewing industry that were intended to help the industry grow and flourish. The bills authorized brewers and manufacturers that produce less than 125,000 barrels of beer and ale annually to obtain a self-distribution license and/or permit and sell up to 40,000 barrels annually direct to retailers. Brewers and manufacturers who produce no more than 225,000 barrels annually were also allowed to sell no more than 5,000 barrels annually of malt beverages, produced on the brewery premises, to visitors of the brewery for on site consumption. Prior to this legislation, breweries could give beer away on site, but could not sell it.

As a result of this legislation, in December 2013, the Town amended the Zoning Ordinance to establish the definition of microbreweries and to include them under the Special Use Permit section.

Currently, Article XXX. Definitions of the Zoning Ordinance defines microbreweries as:

An establishment:

(a) located at premises and that holds at those premises:

(i) both a valid brewer's self-distribution permit and a valid manufacturer's self-distribution license issued by the State of Texas, and whose annual production of beer and ale, combined, at the premises does not exceed 125,000 barrels, and whose sales of beer and ale, combined at the same premises does not exceed 40,000 barrels annually; and/or

(ii) both a valid brewer's permit and a valid manufacturer's license, and whose annual production of beer and ale, combined at the premises does not exceed a total of 225,000 barrels, and whose total combined sales of beer and ale produced on the same premises under the said permit and license to ultimate consumers on the premises for responsible consumption on the premises does not exceed 5000 barrels annually, and whose sale to such ultimate consumers takes place only between 8:a.m. and midnight on any day except Sunday and between 10 a.m. and midnight on Sunday; and

(b) that is in compliance at all times with the applicable permits and licenses described in subsection (a) and with all applicable laws, rules and regulations of the State and with the Charter and ordinances of the town and that promptly provides to the town information requested, and in form and format determined, by the town to determine such compliance.

Article XX. Special Uses currently reads as follows:

(39) Microbrewery in any district other than a planned development district; in a planned development district, a microbrewery may be authorized if such use is specifically allowed in the ordinance establishing the planned development district.

In 2017, the Texas Legislature adopted another bill pertaining to the craft brewing industry that allows breweries to join Texas wineries, distilleries and brewpubs in selling their products for off-premise consumption. Sales to consumers on the brewer's premises for off-premises consumption are limited to one purchase per consumer per month. The consumer's monthly purchase is limited to 576 fluid ounces of beer and ale combined; the equivalent to two cases of beer.

Current Request: In order to account for the change in State law, staff is proposing to revise the current microbrewery definition to read as follows:

(39) Microbrewery with sale of beer for off premises consumption in any district other than a planned development district; in a planned development district, a microbrewery may be authorized if such use is specifically allowed in the ordinance establishing the planned development district.

RECOMMENDATION: **APPROVAL**

Currently, the only microbrewery in Addison is Bitter Sisters Brewing Company, located at 15103 Surveyor Blvd. Bitter Sisters has expressed an interest in the ability to sell for off-premises consumption. This text change would allow Bitter Sisters to do so. Additionally, other

microbreweries, approved through the SUP process in the future, would also be allowed to sell beer for off-premises consumption in accordance with TABC requirements.

When the microbrewery definition was added in 2013, the Town was interested in promoting this use throughout the Town. While the use did not catch on as quickly as originally hoped, this change keeps Addison as a competitive destination for microbreweries in the future.